

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, MS 19-96, Sacramento, CA 95814



January 23, 2006

ALL-COUNTY INFORMATION NOTICE NO: I-04-06

TO: ALL COUNTY WELFARE DIRECTORS  
ALL IHSS PROGRAM MANAGERSSUBJECT: QUALITY ASSURANCE (QA) INITIATIVE FRAUD DETECTION AND  
PREVENTION ACTIVITIESREFERENCE: CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS) ALL  
COUNTY INFORMATION NOTICES (ACIN) I-69-04, DATED  
SEPTEMBER 30, 2004, AND I-24-05, DATED MAY 20, 2005

This ACIN provides information regarding QA program integrity activities for detecting and preventing fraud in accordance with QA Initiative provisions enacted by Senate Bill (SB) 1104 (Chapter 229, Statutes of 2004). Further, it identifies activities related to these provisions that were addressed by the Fraud/Data Evaluation Workgroup and supplements information provided in previous ACIN I-69-04 and I-24-05.

**BACKGROUND**

The QA Initiative outlined a number of enhanced activities to be performed by CDSS, the counties, and the State Department of Health Services (DHS) to improve the quality of In-Home Supportive Services/Personal Care Services Program (IHSS/PCSP) service need assessments, enhance program integrity, and detect and prevent program fraud. The Fraud/Data Evaluation Workgroup and Interagency Subcommittee were established to gain valuable input from Stakeholders to identify activities and implementation issues related to the fraud provisions of SB 1104. To facilitate this process, the Workgroup examined provisions by combining them into three primary categories: Interagency Roles and Responsibilities, Data Evaluation, and Verification of Receipt of Services.

**INTERAGENCY ROLES AND RESPONSIBILITIES**

As specified in ACIN I-69-04, Welfare & Institutions Code (WIC) section 12305.82 establishes the authority and process for detecting, investigating, and preventing fraud in the IHSS program. The statute extends DHS' authority to investigate fraud to the IHSS Residual program and requires counties to refer all suspected IHSS fraud to DHS

**Reason For This Transmittal**

- ☒ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by one or More Counties
- ☐ Initiated by CDSS

for investigation. It also provides for CDSS, DHS, and county QA staff to work together as appropriate to: (1) detect and prevent IHSS fraud based on applicable laws/regulations, which includes due process requirements; (2) take appropriate administrative action; and (3) refer suspected criminal offenses to law enforcement agencies for prosecution.

Additionally, WIC section 12305.71 addresses fraud detection and prevention as part of QA monitoring. The State and County Procedures Workgroup established policies for QA monitoring activities which included activities for preventing and detecting fraud. Preliminary instructions for how counties monitor the delivery of supportive services to detect and prevent potential fraud by providers, recipients, and others were issued in ACIN I-24-05. Explicit instructions were subsequently developed by that Workgroup and will be addressed in the IHSS QA Procedures Manual expected to be released via an All-County Letter in February 2006.

#### QA Monitoring and Fraud Referrals

SB 1104 QA monitoring and fraud detection and prevention provisions require a concerted effort among CDSS, DHS, and counties to coordinate activities to work together in minimizing the potential for fraud and maximizing the recovery of overpayments. Consequently, if fraud is suspected during the QA monitoring process and/or in other instances, counties that already have protocols in place to work with DHS regarding appropriate follow-up on suspected fraud may continue to do so under the direction of DHS. Counties who do not have established protocols in place to work with DHS may choose to discuss options for more extensive coordinative work by contacting them directly. Otherwise, counties should refer suspected fraud to the DHS, Investigations Branch at the field office closest to the county (Attachment A). The referrals should include as much specific information as possible such as:

- Copies of all time cards submitted for payment by provider/beneficiary, including signatures;
- Copies of all paid warrants (front and back) for the period in question;
- A completed potential overpayment form for the period in question; and
- A completed MC 609, Medi-Cal Complaint Form (See Attachment B).

DHS is required to notify CDSS, the county, and the county's public authority or non-profit consortium of any DHS conclusion of reliable evidence of fraud by a provider. In accordance with WIC section 12305.81, a person is precluded from providing or receiving payment for IHSS for ten years; following a conviction for, or incarceration following a conviction for, fraud against government health care or supportive services program. The statute also contemplates that DHS will notify the public authority or non-profit consortium of the provider's ineligibility to provide services and requires

the public authority or non-profit consortium to exclude providers from their IHSS Registry upon notice from DHS.

### Overpayments

Additionally, WIC section 12305.83 provides authority for counties to recover all IHSS overpayments (including overpayments that are not fraud related). The statute specifies, in part, that when it is determined that a provider of IHSS has received an overpayment that is a debt due and owing, the county may recover the overpayment to the extent permissible under existing labor laws by offsetting against any amount currently due.

### DATA EVALUATION

Another important component of SB 1104 that the Fraud/Data Evaluation Workgroup and Interagency Subcommittee focused on was data matches. The WIC section 12305.7 establishes requirements for State-level IHSS/PCSP QA and program integrity functions that include ongoing error-rate studies which also require collaborative efforts among CDSS, DHS, and counties. The findings from these studies are to be used to prioritize and direct State and county fraud detection and quality improvement. CDSS conducted a mini error-rate study involving two volunteer counties during State Fiscal Year (SFY) 2004/2005 and is currently evaluating results. CDSS is currently examining potential areas for studies for the current SFY 2005/2006.

Data evaluation/data match information was provided in ACIN I-24-05. The primary areas identified for data matches to be evaluated were:

- Medi-Cal acute hospital and skilled nursing payments;
- *Death Match Reports* from the State Controller's Office;
- The *Over 300-Hours Report* provided through the Case Management, Information and Payrolling System (CMIPS); and
- The use of the *Ad Hoc* tool developed by Electronic Data Systems to develop other criteria to identify potential fraud.

The Fraud/Data Evaluation Workgroup recommended additional areas for potential data evaluation which include conducting the following activities:

- Reviewing CMIPS out-of-state payments to ensure circumstances warrant an out-of-state payment and that the IHSS consumer has not moved out of state;
- Reviewing advance pay situations to verify that providers' time sheets are in the case; and

- Reviewing List U of the Suspended and Ineligible (S&I) List located on the side menu at DHS' website <http://www.medi-cal.ca.gov/>.

### APPROACHES TO VERIFY RECEIPT OF SERVICES

A final area of focus for the Fraud/Data Evaluation Workgroup pertained to developing methods for verifying receipt of services for consumers. As specified in the previous ACIN I-69-04, WIC section 12305.7 provides for State-level IHSS/PCSP QA and program integrity functions that involve developing approaches to verify receipt of services for consumers with the input of Stakeholders. Additionally, CDSS is to work with the counties to determine, define, and issue instructions describing the roles and responsibilities of CDSS and the county welfare departments for evaluating and responding to identified problems and discrepancies. As part of QA monitoring, the IHSS QA Procedures Manual (developed by the State and County Procedures Workgroup) includes methods for verifying receipt of services and the roles and responsibilities of counties/CDSS. The emphasis is on ensuring a quality of care that enables the consumer to remain safely at home and to avoid institutionalization. The Fraud/Data Evaluation Workgroup (consisting of a broad scope of Stakeholders) suggested the following additional approaches to verify receipt of services:

- Develop pre-reassessment questions regarding receipt of services just prior to the reassessment in certain cases that have been determined appropriate after consideration of consumers' living circumstances and cognitive functioning;
- Conduct pilot projects to test new innovative approaches to verify receipt of services;
- Use consumer task grids to identify and check off specific tasks (This tool was shared by a consumer that found task grids very useful.); and
- Provide educational materials regarding provider/consumer responsibilities and expectations. The CDSS *Real Choice Grant—IHSS Enhancement Initiative* will be providing educational materials to consumers and providers for this purpose.

It is important to note that approaches to verify receipt of services are suggestions and are not mandated activities.

The activities identified in this ACIN pertain to the SB 1104 fraud detection and prevention provisions as addressed by the Fraud/Data Evaluation Workgroup and the Interagency Subcommittee. They are not intended to be all-inclusive and, as specified, interface with procedures established in the IHSS QA Procedures Manual.

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If you have additional questions regarding this ACIN, please contact the Adult Programs Branch, Quality Assurance Bureau, at (916) 229-3494 or by email at [IHSS-QA@dss.ca.gov](mailto:IHSS-QA@dss.ca.gov).

Sincerely,

JOSEPH M. CARLIN  
Acting Deputy Director  
Disability and Adult Programs Division

Attachments

c: CWDA

## **ATTACHMENT A**

### **DHS INVESTIGATIONS BRANCH FIELD OFFICES**

#### **Northern Section**

Sacramento: (916) 650-6630

#### **Southern Section**

Fresno: (559) 446-2440

San Diego: (619) 688-0143

#### **Eastern Section**

Orange: (714) 703-2600

Rancho Cucamonga: (909) 483-0227

West Covina: (626) 918-6685

#### **Western Section**

Commerce: (323) 838-7000

Gardena: (310) 516-4677

Granada Hills: (818) 832-3254

Bakersfield: (661) 395-2705

**CONFIDENTIAL MEDI-CAL COMPLAINT REPORT**☐ **IEVS**

<b>FOR DHS STAFF ONLY</b>		<b>FOR COUNTY STAFF ONLY</b>	
P.I. number		Case number	
Case number		Eligibility Worker name	Telephone number (      )
Name of person reporting complaint		Telephone number (      )	
Address (number, street)		City	ZIP code
Medi-Cal beneficiary name		Date of birth	Social security number
Address (number, street)	City	ZIP code	Telephone number (      )
Provider name			Provider number
Address (number, street)	City	ZIP code	Telephone number (      )
Violation			Type code
Details of complaint			

Complaint taken by	Date
Address	Telephone number (      )

**FOR DHS STAFF USE ONLY****Supporting Documents**

☐ MEDS \_\_\_\_\_ Date: \_\_\_\_\_

☐ CDR \_\_\_\_\_ Date: \_\_\_\_\_

☐ CLETS \_\_\_\_\_ Date: \_\_\_\_\_

☐ Other \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

**Action Taken**

☐ P.I. Closed \_\_\_\_\_ Date: \_\_\_\_\_

☐ P.I. Referred to: \_\_\_\_\_ Date: \_\_\_\_\_

☐ Case opened \_\_\_\_\_ Date: \_\_\_\_\_

Assigned to: \_\_\_\_\_

Supervisor: \_\_\_\_\_